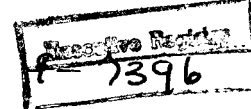


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CGC 7-1174 a



11 September 1957

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Review of Agency Regulation

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1. This memorandum contains a recommendation for approval of the Director of Central Intelligence. Such recommendation is contained in paragraph 9.

2. By memorandum dated 27 June 1957 the Deputy Director requested the Deputy Director (Support) to conduct a careful review of Regulation  with the view of eliminating such details as might be there in more than their bare essentials. This memorandum of the Deputy Director followed the Inspector General's study of Agency methods for handling personnel security cases and set forth in their memorandum to the Director of Central Intelligence of 19 April 1957.

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3. Executive Order 10450, "Security Requirements for Government Employment", issued by the President on 27 April 1953, extended to all departments and agencies the authority to terminate employment, for security reasons, contained in the act of 26 August 1950, 64 Stat. 476 5 U.S.C. 22-1 et seq. By a memorandum which was directed to the heads of executive departments and agencies and forwarded with the Executive Order, the President stated, among other things, that he had "arranged that the Attorney General supply to the head of each department and agency sample regulations designed to establish minimum standards for the implementation of the security program under this Order." Regulation  modifies the sample

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regulations in substance only to the extent necessary to provide for (a) the authority of the Director of Central Intelligence to terminate employment wherever necessary or advisable in the interest of the United States, in accordance with Section 102(c) of the National Security Act, and (b) the responsibility of the Director of Central Intelligence for the protection of intelligence sources and methods from unauthorized disclosure in accordance with Section 102(d)(3) of the National Security Act.

4. Under the terms of the Executive Order the head of each department and agency is responsible for establishing and maintaining within his department or agency an effective program to insure that the employment and retention in employment of any civilian officer and employee within the department or agency is clearly consistent with the interest of national security. Even though this standard differs from the standard set forth in the Director's authority under the National Security Act (to terminate employment whenever necessary or advisable in the interest of the United States), the Attorney General has agreed in his letters to the Director of November 4, 1953 and March 24, 1954 that nothing in the Security Act of 26 August 1950 or Executive Order 10450 deprives the Agency of the termination authority provided by the National Security Act for the protection of Agency security. The authority set forth in the National Security Act is a separate authority and is not controlled by Executive Order 10450.

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5. It is apparent therefore that in a given case, determination must be made in the first instance whether to proceed under Regulation [ ] or to rely on the Director's authority under the National Security Act of 1947. In those cases where the Director proceeds under the provisions of Regulation [ ] the procedures and requirements set forth in that Regulation must be followed. Service v. Dulles, 77 S. Ct. 1152. Conversely, where the Director elects to proceed under 102(c) of the National Security Act, the procedural requirements set forth in Regulation [ ] are not applicable. In the State Department case mentioned above, it was determined that the regulations prescribed by the Secretary of State relating to loyalty and security of State Department employees were by their terms applicable to the discharge of Department employees under the statute authorizing the Secretary of State in his absolute discretion to terminate employment of any Foreign Service officer whenever the Secretary deemed such termination necessary or advisable in the interest of the United States. In effect the court said that since

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the Secretary had issued regulations proscribing his authority for termination he was bound to follow his own regulations. Our regulations do not so combine the authorities of the Director under a single procedure.

6. Present review of Regulation [ ] indicates that the clarification of wording and insertion of the necessary provisos which were effected at the adoption of the regulation went as far as is possible under Agency authority in amending the sample regulation. Discussions with members of the Department of Justice indicate that any further substantive revision would require the concurrence of the Department.

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7. The use of Agency Regulation [ ] causes concern in the following major areas: (a) A Security Hearing Board drawn from personnel of other agencies; (b) the right of the employee to counsel; and (c) cross-examination of witnesses. Consideration of changes in our regulation would relate to these three areas which unfortunately are considered by the Department of Justice as the prime features of the program. Concurrence by the Justice Department for modification of any one of these items cannot be anticipated since these matters go to the heart of the program. Modification of any of the other provisions of the regulation would only be editorial in nature and would provide no substantive change. In our view no substantive modification of the regulation is possible without concurrence of the Department of Justice and, as indicated above, we do not believe they would approve major changes. Those features to which we have objection in Regulation [ ] stem directly from the Executive Order itself and if we elect to use the 10450 procedure there is no alternative but to follow the prescribed procedures. The real choice involved is in the first instance whether to proceed under Regulation [ ] (Executive Order 10450) or Regulation [ ] (Section 102(c) ).

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8. For your information, the report of the Commission on Government Security (the Wright Committee) recommended repeal of the Security Act of 26 August 1950 and the establishment of a loyalty program for civilian Government employees applicable to all positions and a suitability program within the framework of Civil Service regulation. It was further recommended that the Central Intelligence Agency and the National Security Agency be excluded from the program. There were several bills introduced into the Congress which embodied the

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draft legislation in the Wright Committee Report. Hearings, however, will not be held by Congress on the proposed program until the next session of Congress.

9. From the above, it is our view that no real purpose would be served by an attempted revision of Regulation [redacted]

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Therefore, it is recommended that no revision of Regulation

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[redacted] be attempted at the present time.

[redacted]

Acting General Counsel

CONCURRENCES:

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[redacted]

Deputy Director (Support)

28 Sept 57  
Date

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[redacted]

Assistant to the DD/S

11 September 1957  
Date

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[redacted]

Director of Personnel

14 September 1957  
Date

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[redacted]

Director of Security

17 Sept 1957  
Date

The recommendation in paragraph 9 is approved.

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[redacted]

~~ALLEN W. DULLES~~

Director of Central Intelligence

*Dep*

OCT 2 1957

Date

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Next 1 Page(s) In Document Exempt

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*Security - 2*

Col. Sheffield Edwards, D/S  
Rm. 2060, "I" Bldg.

Shel:

As per our conversation a few minutes ago with General Cabell, I am sending you Larry Houston's paper on the utilization of the polygraph. I understand you will incorporate his recommendation in the over-all policy paper you are going to prepare for the Director on this subject.

*15/ HGL*

H. Gates Lloyd, A-DD/S

Ext. 785

11 July '57

A-DD/S:HGL:mrp (11 July 57)

Distribution:

Orig - Addressee - w/orig of DD/S 57-2138

✓ 1 - OGC

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DD/S 57-2138: Memo dtd 26 June 57 to DCI fr GC, subj: Utilization of the Polygraph

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OGC 7-0988

DD/S

57-2138

26 June 1957

**MEMORANDUM FOR: Director of Central Intelligence**

**SUBJECT: Utilization of the Polygraph**

1. This memorandum contains a recommendation for the approval of the Director of Central Intelligence in paragraph 3.

2. Sometime ago I was informed that you wished a study made as to whether our use of the polygraph and the procedures involved for the utilization of the information derived therefrom would be a source of embarrassment to the Agency. We have gone into this carefully with the Office of Security and believe that our utilization of the polygraph and of the information obtained would not be a source of serious embarrassment. To my knowledge only one serious protest has been lodged with the Agency arising out of a polygraph interview. This was some years ago and was from [ ] in connection with a disgruntled employee who had been terminated. We wrote [ ] a detailed letter outlining the purposes for which we use the polygraph and how it was used. He raised [ ] I am informed by the Office of Security that certain [ ]

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3. We felt it well to revise in certain respects the statement signed by each employee before taking the polygraph test. Attached is the draft agreement which has been concurred in by the Office of Security. This will be put into immediate use if it meets with your approval. I recommend approval.

Attachments - 2

The recommendation in CONCUR:  
paragraph 3 is approved.

LAWRENCE R. HOUSTON  
General Counsel

ALLEN W. DULLES Acting Deputy Director  
Director (Support)

cc: DDCI  
ER  
DD/S

Security  
✓ OGC  
1-2/Per

**CENTRAL INTELLIGENCE AGENCY**  
WASHINGTON 25, D. C.

OS/PSB/WK:vin  
29 May 1957

**FINAL DRAFT**

I, \_\_\_\_\_, an employee of the Central Intelligence Agency, understand that the Agency uses Polygraph testing as a routine procedure and that every employee of the Agency will be requested to participate in Polygraph tests from time to time. Having been informed of my rights under the Constitution, I agree, of my own free will and without any compulsion, duress, or promise of reward or immunity, to an interview with officials of the Central Intelligence Agency, during which I will participate in Polygraph tests.

I have read the foregoing and fully understand its import.

IN WITNESS WHEREOF I PLACE MY SIGNATURE BELOW, THIS \_\_\_\_\_ DAY  
OF \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_  
SIGNATURE

The above was read and signed in my presence this \_\_\_\_\_ day  
of \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_  
SIGNATURE



**CENTRAL INTELLIGENCE AGENCY**  
WASHINGTON 25, D. C.

OS/P30/DE/vln  
25 May 1997

**FINAL REPORT**

I, \_\_\_\_\_, an applicant for employment with the Central Intelligence Agency, understand that the Agency uses Polygraph testing as a routine procedure and that every employee of the Agency will be requested to participate in Polygraph tests from time to time. Having been informed of my rights under the Constitution, I agree, of my own free will and without any compulsion, duress, or promise of reward or immunity, to an interview with officials of the Central Intelligence Agency, during which I will participate in Polygraph tests.

I have read the foregoing and fully understand its import.

IN WITNESS WHEREOF I PLACE MY SIGNATURE BELOW, THIS \_\_\_\_\_ DAY  
OF \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_  
SIGNATURE

The above was read and signed in my presence this \_\_\_\_\_ day  
of \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_  
SIGNATURE

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM					
UNCLASSIFIED		CONFIDENTIAL		SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS	INITIALS	DATE		
1	General Counsel	<i>LT</i>			
2	221 EAST				
3					
4					
5					
6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks:					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
<i>MMK</i>				23 MAY 1957	
UNCLASSIFIED		CONFIDENTIAL		SECRET	

7-08/2

29 May 1957

MEMORANDUM FOR: General Counsel

SUBJECT : Polygraph Agreement

1. The proposed draft of the polygraph agreement, which you submitted to me on 15 May 1957, is acceptable to me, if the parentheses and the words within the parentheses are deleted.

2. Attached are final drafts of the agreement, which I believe will meet legal requirements and security needs. You will note that one is for employees and one is for applicants.

STATINTL

Sheffield Edwards  
Director of Security

Attachments: 2

Approved For Release

1cc to SO

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM					
<input type="checkbox"/>	UNCLASSIFIED	<input type="checkbox"/>	CONFIDENTIAL	<input type="checkbox"/>	SECRET
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		INITIALS	DATE	
1	Director of Security				
2	2060 Eye				
3	General Counsel - 221 East				
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<input type="checkbox"/>	CONCURRENCE	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	SIGNATURE
Remarks:					
I am due for a report to the Director on this. Do you go along with the attached?					
LRHOUSTON					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
General Counsel 221 East				6/27	
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FORM NO. 237  
1 APR 55

Replaces Form 30-4  
which may be used.

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